

VERIZON RESPONSE TO NJ BPU KPMG EXCEPTION

Exception #: 5

Component: **KPMG Consulting observed several instances where Verizon's systems prevented orders submitted via EDI from flowing through in accordance with Verizon documentation.**

Domain: POP

Date Uncovered by KPMG: 11/06/01

Date VERIZON Received: 11/06/01

Date VERIZON Responded: 11/30/00; 01/12/01 (1st Revision)

Date KPMG Consulting Responded: 12/11/00

KPMG Summary Statement and **Inaccurate or incomplete flow through processing due to system related issues may impede a CLEC's ability to anticipate the confirmation of service orders.**

VERIZON Response: **01/12/01 Response to Exception**

Verizon's 01/12/01 Reply to KPMG Consulting's 12/11/00 Response

KPMG identified 16 order transactions that did not flow through in accordance with Verizon's documentation. Verizon agrees that the listed PONs did not flow through appropriately. For all PONs KPMG identified, Verizon promptly addressed the orders and sent confirmations to KPMG. Listed below are details of Verizon's investigation:

The following PONs did flow through:

1) Documentation inconsistency

| PON numbers | Scenario |
|------------------------|---|
| 15. 069021NN0X000006AA | Migrate auxiliary lines from Retail to UNE-L without number portability. Submit Directory Listing |
| 16. 069021NN0X000007AA | Migrate auxiliary lines from Retail to UNE-L without number portability. Submit Directory Listing |

Verizon identified the inconsistency between observed flow through levels and the flow through documentation. The documentation was revised in October 2000 accurately reflect the flow through handling of partial migrations with directory listings.

2) Incorrect flow through report indicator

| PON numbers | Scenario |
|-----------------------|---------------------------------------|
| 7. 001041NN0X000003AA | Migrate “as is” from Retail to Resale |
| 8. 010102NN0X000002AA | Platform Post Migration Change |

The PONs 7 and 8 did flow through at level 5; however, a report incorrectly classified them. This condition was fixed on October 17th 2000.

The following PONs did not flow through due to system errors:

1) Software defect of partial disconnects

| PON number | Scenario |
|------------------------|---|
| 11. 077011NN0X000003AA | Post migration; Loop Partial Disconnect |

This PON should have flowed through and did not. A software change was made December 16th, 2000.

2) Software defect allowed duplicate service order numbers

| PON number | Scenario |
|-----------------------|--------------------------------------|
| 5. 017011NN0X000001AA | Resale Post Migration Delete Account |

This PON should have flowed through and did not. A software change was made December 16th, 2000.

3) System Unavailable

| PON number | Scenario |
|-----------------------|-------------------------|
| 9. 020041NN0X000014AA | Platform – New Activity |

During the order editing process, an underlying system was not available preventing flow through.

The following PONs did not flow through due to input errors:

1) Listing requests missing account information

| PON numbers | Scenario |
|------------------------|--|
| 6. 070041NN0X000004AA | Migrate UNE-Analog Loop w/ CLEC TN changes |
| 10. 072011NN0X000012AA | New Analog loop w/straight line listing |
| 13. 072071NN0X000009AA | New UNE-analog loops |
| 14. 075021NN0X000007AA | Post Migration; UNE-L DL change |

Verizon’s investigation determined the customer code (position 11-13) was missing from the billing account number field (BAN2). Had the customer code been entered in this field, the orders would have flowed through.

Verizon documentation identifies generic flow through scenarios. The following PONs encountered sub conditions of these scenarios that prevented flow through:

1) Directory listings on loop full migrations as specified

| PON numbers | Scenario |
|------------------------|--|
| 2. 079011NN0X000005AA | Migrate from Resale to UNE-L w/o number portability, Submit DL |
| 12. 079011NN0X000018AA | CLEC Resale customer migrates to UNE-analog loops |

PONs 2 and 12 were also missing the customer code. A sub condition was encountered that was not supported by the flow through process. The Generic Flow Through Scenarios document will be updated prior to February 1, 2001, to reflect that full loop migrations as specified with directory listings are not eligible for flow through.

2) Temporary suspend requests

| PON number | Scenario |
|-----------------------|---------------|
| 3. 016091NN0X000001AA | UNE-P Suspend |

New Jersey UNE-P Suspend orders do not flow through. The Generic Flow Through Scenarios documentation will be modified prior to February 1, 2001, to reflect the appropriate flow through expectancy of platform suspension orders.

3) Removal of Listing Information

| PON numbers | Scenario |
|-----------------------|--|
| 1. 017071NN0X000002AA | UNE-P disconnect w/ "NLST" listings |
| 4. 022011NN0X000006AA | Migration "as is" from Resale to Platform w/ "NLST" listings |

Verizon's investigation revealed that during the process to remove "NLST" listings, a data mismatch was flagged and the request was queued for additional investigation. The Generic Flow Through Scenarios documentation will be modified prior to February 1, 2001, to reflect the appropriate flow through expectancy of New Jersey "NLST" listings prior to a software change in the February 18, 2001 release.

**KPMG Consulting
Response:**

KPMG Consulting's 12/11/00 Reply to Verizon's 11/30/00 Response

KPMG requires that Verizon provide specific details, for each of the PONs raised in the exception, on the "data mismatch or constraint" that caused these PONs to be routed to the TISOC for manual intervention. The response that Verizon provided on PONs 1-14 does not allow KPMG to completely analyze the issue and determine whether or not the evaluation criteria is satisfied.

The response that Verizon provided on PONs 15-17 did allow KPMG to analyze the issue further.

PONS 15-16

PONS 15-16 consist of test case 069021 instances 6 and 7, AA version for both instances. These two PONS were both submitted on 9/29/2000 at 10:55

AM and both received local service confirmations on 9/29/2000 at 10:56 AM.

Test case 069021 reads: *Migrate 2 auxiliary lines of a VZ-NJ 4-lines business customer to CLEC UNE loop. Submit DL to list with the customer's new KPMG TN.*

On 9/29/00, Verizon's most current generic flow through documentation stated that a *partial migration of a Loop with a new main straight line listing (taking the billing telephone number= level 2) and taking a non billing telephone number is level 4 for less than 51 loops.*

Verizon has since updated their documentation to reflect that non BTN partial migrations for UNE loops are flow through. Verizon's language above is misleading in the fact that their statement implies that Verizon correctly processed these two PONs based on their documentation. KPMG Consulting assigns flow through expectations based on the most current flow through information at the time of submission. At the time of submission, Verizon's documentation did not reflect the actual flow through nature of the PON.

PON 17

PON 17 consist of test case 019031 instance 2, AA version. This PON was submitted on 9/25/2000 at 5:04 PM and received a local service confirmation on 9/25/2000 at 5:11 PM.

Test case 019031 reads: *Migrate as is of a CLEC resale 1-line business to another CLEC resale. Note: this is a CLEC to CLEC migration.*

This PON was presented to Verizon during the observation process and Verizon responded that the flow through problem that KPMG Consulting experienced was due to system related problems. KPMG Consulting subsequently included this PON in the flow through exception that covered all system related issues. Verizon then conducted additional research and attributed the issue to a KPMG Consulting input error. As a result of Verizon's response KPMG Consulting researched PON 17 further and agrees with Verizon. Therefore, KPMG Consulting will remove this PON from the exception.

VERIZON Response:

11/30/00 Response to Exception

On November 17th, KPMG identified 17 order transactions that did not flow through in accordance with Verizon's documentation. Two types of conditions were identified – orders that did not flow and should have, and orders that did flow through and were not expected to. For the 17 PONs KPMG identified, Verizon followed the appropriate process and procedures to address the orders and then send the confirmations to KPMG.

The first set of PONs (1-14) did not flow through Verizon processing for a variety of reasons. Verizon's systems are designed to support quality order entry. In the event of a data mismatch or constraint, the TISOC review process promptly addresses any issue and supplies confirmations to the

CLECs. Verizon is constantly working to improve flow though by addressing specific conditions that impact the level 5 flow through orders. For example, PONs 7 and 8 were resolved with the October release. Verizon continues to implement system enhancements to increase the percentage of flow through orders.

KPMG identified the second set of PONS (15-17) as 'not expected to flow through at level 5'. Verizon's investigation indicates that the 3 PONs correctly processed according to Verizon's flow through documentation, and therefore, there is no error.